

QUARTERLY FEES

Pursuant to the provisions of Chapter 123 of Title 28 of the United States Code, each debtor in a case pending under the provisions of Chapter 11 is responsible for paying a fee to the United States Trustee. The fee must be paid on a quarterly basis from the time that a petition is filed until such time as the case is dismissed by the Bankruptcy Court, converted to another chapter of the code or closed by the Court.

The amount of the fee will vary based upon the amount of money disbursed by the debtor during a quarter. The scale used to calculate the fee is as follows:

<u>DISBURSEMENTS</u>	<u>QUARTERLY FEE DUE</u>
Zero	\$ 250.00
\$14,999 or less	250.00
\$15,000 to \$74,999.99	500.00
\$75,000 to \$149,999.99	750.00
\$150,000 to \$224,999.99	1,250.00
\$225,000 to \$299,999.99	1,500.00
\$300,000 to \$999,999.99	3,750.00
\$1,000,000 to \$1,999,999.99	5,000.00
\$2,000,000 to \$2,999,999.99	7,500.00
\$3,000,000 to \$4,999,999.99	8,000.00
\$5,000,000 and over	10,000.00

Note that a minimum payment of \$250.00 is due each quarter even if no disbursements are made in the case during the period.

Fees are to be paid pursuant to the following schedule:

	<u>Quarter</u>	<u>Ending</u>	<u>Due Date</u>
1 st Quarter	Jan-Feb-March	March 31	April 30
2 nd Quarter	April-May-June	June 30	July 31
3 rd Quarter	July-Aug-Sept	Sept 30	Oct 31
4 th Quarter	Oct-Nov-Dec	Dec 31	Jan31

Debtors are subject to payment of a quarterly fee for every quarter during which their case remains pending under Chapter 11. The obligation to pay any further fees end when the Court enters an order dismissed the case, converting the case to another chapter of the bankruptcy Code, or when the case is closed by Court order or final decree. A plan must provide for payment of all unpaid

quarterly fees as of its effective date, or it cannot be confirmed by the Court. In addition, all unpaid quarterly fees must be paid prior to the entry of any order dismissing or converting the case. The plan must also provide that the debtor will be responsible for timely payment of fees after confirmation of the plan.

Each debtor will receive a statement regarding the fee approximately two (2) weeks prior to each of the due dates noted above. Each statement contains a payment stub which should be returned along with the debtor's check to the following address:

U.S. Trustee
P.O. Box 198246
Atlanta, GA 30384

Please make all checks payable to the "U.S. Trustee". The debtor's account number, which can be obtained from the statement should be written on the face of the check. ***Direct all correspondence and questions regarding your account to your local U.S. Trustee's Office.***

PENALTIES: FAILURE TO PAY THE QUARTERLY FEE IS CASE FOR CONVERSION OR DISMISSAL OF YOUR CASE UNDER 11 U.S.C. SECTION 1112 (B) (10). UNPAID QUARTERLY FEES WILL ALSO BE TURNED OVER TO THE UNITED STATES TREASURY DEPARTMENT. PURSUANT TO THE DEBT COLLECTION IMPROVEMENT ACT OF 1996, p1104-134 (an amendment to 31 USC 3701-3720). THE COLLECTION EFFORTS CAN AND MAY INCLUDE WITHHOLDING ANY GOVERNMENT PAYMENT TO DEBTOR, INCLUDING TAX REFUNDS, IN THE AMOUNT OF THE INDEBTEDNESS. COLLECTION AGENCIES MAY ALSO BE EMPLOYED TO ENFORCE COLLECTION OF THE FEES AND IT WILL BE REPORTED TO THE CREDIT BUREAUS.